



Morning Alert - Thursday, July 27, 2017

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HEADLINES

Morning news

NHK and NTV led with reports that North Korea may launch a ballistic missile today because it is the 64th anniversary of the Korean War armistice agreement. TBS led with a speculative report that in light of the plunge in cabinet support ratings, Prime Minister Abe may decide to dissolve the Lower House for a snap election before the end of this year. Fuji TV reported on a tabloid report that LDP member Eriko Imai is having an affair with a married man. TV Asahi gave top play to a report on the world swimming championships in Budapest, saying that two Japanese swimmers will participate in the 200-meter men's individual medley final tonight.

Top stories in national dailies included GSDF Chief of Staff Okabe's intention to step down over the scandal about the alleged cover-up of daily logs in South Sudan (Asahi); an interview with former Pakistani President Musharraf, in which he disclosed that his nation considered launching a nuclear attack on India in 2002 (Mainichi); a plan by Japan to impose safeguard tariffs on frozen U.S. beef (Yomiuri); results of a Nikkei survey showing that 40% of major firms are planning to spend record amounts on R&D in FY2017 (Nikkei); and China's anti-Japanese propaganda (Sankei).

ECONOMY

Japan to impose safeguard tariffs on frozen U.S. beef

Yomiuri led with a report saying that the GOJ plans to invoke an import safeguard mechanism on frozen beef from the U.S. starting Aug. 1 in response to a surge in the volume of frozen beef imports from America from April through June. Japan will raise the levy on such products from the current 38.5% to 50% through the end of March 2018. According to the Ministry of Agriculture, an increase in Australian beef prices due to a drought has driven up the volume of imports from the U.S. The papers wrote that the temporary tariff increase on frozen beef from the U.S. may result in higher

consumer prices.

The paper wrote that although the step is based on WTO rules, the Trump administration will likely react strongly to Tokyo's decision. Although Japan has already informed the U.S. of its plan, the issue may become a source of intensive discussions between the two nations at their bilateral economic dialogue slated for the fall and other venues. All other papers ran similar inside-page reports, with Sankei saying that there is concern that the issue could develop into trade friction between Washington and Tokyo because the Trump administration may strengthen its pressure on Japan to start negotiations on a bilateral FTA.

Nikkei also wrote that the U.S. will likely react strongly, noting that when Japan invoked a safeguard mechanism on frozen beef in 2003, then U.S. Secretary of Agriculture Veneman strongly urged Tokyo to cancel it. Given Washington's withdrawal from the TPP, U.S. beef is at a disadvantage compared with beef from Australia, which has concluded an EPA with Japan. Although Tokyo plans to encourage the U.S. to return to the TPP by confirming the effectuation of a "TPP 11" pact by the end of this year, calls in the U.S. for a bilateral free trade agreement with Japan may increase in response to frustration among the politically powerful American livestock farmers' groups.

SECURITY

Abe attends funeral of former Okinawa Governor Ota

All papers reported on Prime Minister Abe's participation in the funeral of former Okinawa Governor Masahide Ota that was held in Ginowan, Okinawa, on Wednesday. In his condolence message the premier stated that he will continue to make utmost efforts to reduce the base-hosting burden on Okinawa.

MSDF conducts exercise for defense of U.S. Navy vessels

Asahi and Nikkei wrote that the Ministry of Defense announced on Wednesday that the MSDF conducted an exercise to confirm procedures for defending U.S. military vessels in peacetime in waters off Aomori on Wednesday based on the new security laws. The MSDF minesweeper Bungo and the U.S. Navy minesweeper Pioneer participated in the exercise.

INTERNATIONAL

Chargé d'Affaires Hyland emphasizes strong ties between U.S., Japan

Yomiuri ran a recent interview with Chargé d'Affaires Jason Hyland, during which he said that when he returned to Japan in 2014 for his fifth assignment to the nation, his belief in the strong ties between the U.S. and Japan was renewed. He also said the U.S.-Japan alliance has been and will continue to be the cornerstone of security in the region and that the alliance is based on grassroots exchanges between the two nations.

China releases two of the Japanese nationals it detained in March

Asahi front-paged a report saying that two of the six Japanese men who were detained in Shandong and Hainan Provinces in China in March have been released. Chinese authorities informed the Japanese government of the release on Wednesday. The two men are expected to return to Japan as early as today. They had been visiting Shandong Province to assist with hot spring development in the region. Sankei and Nikkei ran similar reports on inside pages.

U.S. ambassador to UN comments on negotiations on North Korea sanctions

Wednesday evening's Yomiuri wrote that U.S. Ambassador to the UN Haley told reporters on Tuesday that Security Council negotiations on a new sanctions resolution against North Korea over its recent ICBM launch are moving forward steadily with the cooperation of China.

Japan, India agree to strengthen cooperation in security, economy

Mainichi and Yomiuri wrote that LDP Policy Research Council Chairman Motegi met with Indian Foreign Minister Swaraj in India on Wednesday. The two officials agreed that Japan and India should further strengthen their security and economic cooperation and work closely to deal with North Korea's nuclear and missile development. Motegi relayed Prime Minister Abe's message to Prime Minister Modi that he looks forward to his visit to India in September.

OPINION POLLS

75% of Koreans believe Japan-ROK agreement did not resolve comfort women issue

Asahi wrote that Japan's Genron NPO and South Korea's East Asia Institute have released the results of their joint public opinion poll, in which 53% of the Japanese respondents and 75% of the Korean pollees said that they don't believe that the comfort women issue was resolved by the Japan-ROK agreement in 2015. The paper wrote that the results reflect the wide gap in perceptions between the Japanese and Korean people regarding the bilateral agreement.

